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42

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SUBJECT Cooperative Societies in Kwangtung

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25X1A

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1. The development of cooperatives is a major policy of the Chinese Communist Government. In Kwangtung most of them are marketing cooperatives.¹ The village and hsien cooperatives buy local agricultural products for the larger trading organizations of the government. They also sell to the local population essential items such as fertilizers, cloth, and other daily necessities.
2. In such cities as Canton, the neighborhood cooperative stores are developing rapidly. They sell general lines of daily necessities such as meats, rice, and salt. Their prices are generally cheaper than those of ordinary merchants; they sell pork, for example, at JMP 9,000, while the private stores charge JMP 12,000 per catty. They sell rice at a price which is about five percent cheaper.
3. The cheaper prices are partially due to the fact that the government helps the cooperatives to buy in large quantities, which gives them an appreciable discount. Also they generally have lower overhead because the store often belonged to a counterrevolutionary to whom the cooperative does not have to pay rent. The personnel consists chiefly of low-paid cadres who are frequently paid by the supply system.²
4. The capital for the cooperatives is obtained by forced subscription from every household in the neighborhood. Thus many people feel that they have a share in the cooperative store and prefer it to the private stores, although no one has seen any distribution of profits.
5. The Communist regime is using the development of cooperatives as a measure of the success it is having in instituting the socialistic economy.³

25X1A

1. Comment. An official announcement in August put the number of cooperatives in Kwangtung at 1,244, and the total number of members at 1,500,000, or a little over 4 percent of the total population.

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